

Attachment A-2

LIFE INSURANCES (Executives only):

Basic Life Insurance: 52.5% Min = \$79,800

Basic Life Insurance: While active, basic equals 2 times annual base with a \$200,000 maximum insured amount. The excess of 2 times annual base over \$200,000 is covered by supplemental. In retirement, basic reduces by 2% of the original amount each month until it reaches the continuing paid up lifetime amount equal to 1.5% of original amount times Part A credited service.

Supplemental Life Insurance or Benefit: (See applicable section)

SUPPLEMENTAL LIFE INSURANCE....active executives born prior to 1-1-29 and placed as an executive prior to 1-1-89 have insurance equal to 3 times their annual base salary PLUS additional insurance to cover any basic amount over \$200,000.

\$200,000. In retirement, the portion of supplemental equal to 3 times annual base continues unreduced for life at corporation expense. The portion covering the basic insurance over \$200,000 reduces in the same way basic reduces (.15% times original amount times years of Part A credited service).

SUPPLEMENTAL LIFE BENEFIT....active executives born after
1-1-29 and placed as an executive prior to 1-1-89 have a
death benefit equal to 3 times their annual base salary
PLUS additional death benefit to cover the amount of basic
over \$200,000.

over \$200,000.
In retirement, the portion of the supplemental death benefit equal to 3 times annual base continues for life at corporation expense. The portion covering the basic over \$200,000 reduces in the same way basic reduces (1.5% times original amount times years of Part A credited Service).

SUPPLEMENTAL LIFE BENEFIT....active executives placed as executives after 1-1-89 regardless of age have a death benefit equal to 2 times their annual base salary PLUS an additional death benefit to cover the amount of basic over \$200,000.

\$200,000.
In retirement, the portion of the supplemental death benefit equal to 2 times annual base reduces to 1 times annual base salary and is continued at corporation expense for life. The portion covering the basic over \$200,000 reduces in the same way basic reduces (1.5% times original amount times years of Part A credited service).

Optional Life Insurance: Current coverage up to 5 times annual base salary may be continued in retirement unreduced to age 65 then reduces 10% per year until no coverage at age 75. Premiums will increase with age.

Dependent Life Insurance: Current coverage may be continued in retirement unreduced to the retiree's age 70. Coverage cancels at age 70. Premiums will increase based on retiree's age.

Total = \$307,800

Trish = \$10,000
(depend)

Barb
(depend) = \$50,000

